



Reprinted
February 22, 2005

SENATE BILL No. 307

DIGEST OF SB 307 (Updated February 21, 2005 6:47 pm - DI 44)

Citations Affected: IC 6-1.1; IC 36-3.

Synopsis: Budget and levy review in Marion County. Provides that the general law concerning approval of budgets and tax levies of appointed boards does not apply to certain entities in Marion County that are covered by another statute. Requires the city-county council in Marion County to review the proposed operating and maintenance budgets and tax levies of the entities and to adopt final operating and maintenance budgets and tax levies for them. Authorizes the city-county council to reduce or modify but not increase an entity's proposed operating and maintenance budget or tax levy. Prohibits the city-county council from reducing or modifying an entity's budget or tax levy in a manner that would impair the rights of bondholders. Provides that proposed operating and maintenance budget and tax levy of a taxing unit that is located within an excluded city or town shall be submitted to the city or town fiscal body..

Effective: July 1, 2005.

Young R Michael, Waltz

January 6, 2005, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.
February 10, 2005, reported favorably — Do Pass.
February 21, 2005, read second time, amended, ordered engrossed.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 307

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-17-20 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) This section
3 applies:

4 (1) to each governing body of a taxing unit that is not comprised
5 of a majority of officials who are elected to serve on the
6 governing body; and

7 (2) if the proposed property tax levy for the taxing unit for the
8 ensuing calendar year is more than five percent (5%) greater than
9 the property tax levy for the taxing unit for the current calendar
10 year.

11 (b) As used in this section, "taxing unit" has the meaning set forth
12 in IC 6-1.1-1-21, except that the term does not include:

13 (1) a school corporation; **or**

14 (2) **an entity whose tax levies are subject to review and**
15 **modification by a city-county legislative body under**
16 **IC 36-3-6-9.**

17 (c) If:

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(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least fourteen (14) days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least fourteen (14) days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

SECTION 2. IC 36-3-6-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The city-county legislative body ~~may~~ **shall** review ~~and modify~~ the **proposed** operating and maintenance budgets and ~~the tax levies of~~ **and adopt final operating and maintenance budgets and tax levies for each of** the following entities in the county:

(1) An airport authority operating under IC 8-22-3.

(2) A health and hospital corporation operating under IC 16-22-8.

(3) A public library operating under IC 20-14.

(4) A capital improvement board of managers operating under IC 36-10.

(5) A public transportation corporation operating under IC 36-9-4.

Except as provided in subsection (c), the city-county legislative body may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.

(b) The board of each entity listed in subsection (a) shall, after adoption of its **proposed** budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year.

(c) The city-county legislative body may review the issuance of bonds of an entity listed in subsection (a), but approval of the city-county legislative body is not required for the issuance of bonds. **The city-county legislative body may not reduce or modify a**

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1 budget or tax levy of an entity listed in subsection (a) in a manner
2 that would:
3 (1) limit or restrict the rights vested in the entity to fulfill the
4 terms of any agreement made with the holders of the entity's
5 bonds; or
6 (2) in any way impair the rights or remedies of the holders of
7 the entity's bonds.
8 (d) If the assessed valuation of a taxing unit is entirely contained
9 within an excluded city or town (as described in IC 36-3-1-7) which
10 is located in a county having a consolidated city, the governing
11 body of the taxing unit shall submit its proposed operating and
12 maintenance budget and tax levies to the city or town fiscal body.

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COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill No. 307, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 307 as introduced.)

RIEGSECKER, Chairperson

Committee Vote: Yeas 6, Nays 2.

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SENATE MOTION

Madam President: I move that Senate Bill 307 be amended to read as follows:

Page 3, after line 7, begin a new paragraph and insert:

"(d) If the assessed valuation of a taxing unit is entirely contained within an excluded city or town (as described in IC 36-3-1-7) which is located in a county having a consolidated city, the governing body of the taxing unit shall submit its proposed operating and maintenance budget and tax levies to the city or town fiscal body."

(Reference is to SB 307 as printed February 11, 2005.)

YOUNG R MICHAEL

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